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TAGS: [PREL](#) [PGOV](#) [ECON](#) [TS](#)
SUBJECT: FROM ELECTIONS TO THE ECONOMIC CRISIS: THE GOT
TOUR D'HORIZON FOR THE DIPLOMATIC CORPS

REF: A. TUNIS 293
[1](#)B. TUNIS 289
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[1](#)E. TUNIS 174
[1](#)F. TUNIS 160

Classified By: Ambassador Robert F. Godec for reasons 1.4 (b) and (d)

Summary

[1](#)1. (C) On May 19, Foreign Minister Abdallah hosted a briefing by GOT officials for Ambassadors on the impact of the economic crisis on Tunisia, the upcoming elections, H1N1 flu, and other issues. On the economic crisis, Central Bank Governor Baccar said the government's key concern is the drop in exports and its impact on employment. On the elections, Minister of Civil Service and Administrative Development M'dhaffer said the election will be conducted in complete transparency and the government has increased the opportunities for political participation.

[1](#)2. (C) FM Abdallah said Tunisia has taken steps to prepare for the H1N1 flu, has had several successful visits recently (e.g., by French PM Fillon), and has nothing to do with the problems being experienced by the Tunisian Human Rights League or the National Journalists Union. He noted that some GOT officials have complained to him of inappropriate, "bothersome" guests at diplomatic receptions and warned that in an election year opposition parties would seek to attract the attention of foreign missions. End Summary.

GOT Officials Brief Ambassadors

[1](#)3. (C) On Tuesday, May 19, Foreign Minister Abdallah convoked approximately 24 Ambassadors from the Americas, Asia and Africa for a three-hour briefing at the Ministry of Foreign Affairs. Attending with the Foreign Minister were Central Bank Governor Taoufik Baccar, Minister of Civil Service and Administrative Development Zouheir M'dhaffer and half a dozen senior MFA officials. This briefing was one of three the MFA has conducted for all Ambassadors resident in Tunis, with the other two being held for Arab and European Union Ambassadors.

Tunisia Weathers the Economic Crisis Well

[1](#)4. (C) Central Bank Governor Baccar said Tunisia believes the current economic crisis is atypical and the worst since 1929. Baccar continued the crisis began in the United States, and reviewed estimates of projected negative real GDP growth in several countries. Tunisia's banking and financial system,

he said, does not use complex financial instruments and thus has been insulated from the crisis. The worry, he continued, is the real economy, where there has been an impact, although it has been limited.

15. (C) Baccar said Tunisia's exports fell by 19 percent and imports by 16.5 percent in the first four months of 2009 over the same period in 2008. The drop, however, is partly the result of a drop in prices and partly volume. In response to questions, Baccar said tourism receipts increased in the first four months of 2009 by 4.3 percent (as expressed in Tunisian dinars). While the number of tourists from Europe dropped by 7.6 percent, the number of tourists from the Maghreb increased by 11.8 percent. Further, while tourists from the Maghreb stay fewer nights, they spend more money because they are usually not on package tours. Baccar said foreign direct investment has dropped significantly in the first four months of this year, but many of the projects announced in 2008 are continuing. (Note: He did not mention the status of the major Gulf investment projects, some of which we have heard have been put on hold.) He noted the fall in FDI was "only" around 20 percent, if certain privatization related investments are removed from the 2008 investment number. The sector most affected by the drop is energy, as a result of the decline in the price of oil and gas.

16. (C) The GOT has taken a series of steps to support companies and sectors affected by the crisis, according to Baccar (Ref F). These include special subsidies to support jobs in exporting companies facing a reduction in orders. The GOT will assist in subsidizing the rescheduling of debt and has put in place a credit line of 100 million euros for

foreign companies seeking to invest in Tunisia. The GOT has also introduced structural reforms to simplify and reduce delays in exporting, and to improve logistical services. The World Bank, African Development Bank and the European Union are supporting these initiatives. The challenge, Baccar said, is for Tunisia to maintain its markets, keep jobs and continue economic growth. He suggested real GDP growth in Tunisia will be 3.5 percent for 2009.

17. (C) Finally, Baccar expressed concern about growing protectionism and emphasized the importance of international cooperation to address the economic crisis. He added that Tunisia counts on friendly countries to continuing investing.

Election will be Transparent

18. (C) Minister M'dhaffer began by emphasizing that Tunisia's 2009 elections will be conducted in "total transparency" and give the voters the freedom to choose. He reviewed in detail the evolution of Tunisia's electoral code, and stressed that the GOT's recent changes to the constitution and code open up the system and increase participation by:

- reducing the voting age to 18;
- introducing permanent voter registration;
- reducing the number of polling stations;
- ensuring the neutrality of those managing the election;
- increasing the number of seats in the Chamber of Deputies reserved for the opposition; and,
- making new provisions for access to the media by all parties.

19. (C) M'dhaffer stressed President Ben Ali's public commitment to welcome international election observers from "friendly and brotherly" countries. M'dhaffer continued, however, that Tunisia will never accept international election "controllers." Tunisia, he said, is sovereign, has experience holding elections and is not in the midst of a crisis.

10. (C) In response to questions, M'dhaffer said that all parties will have an equal chance at access to the media. He

continued, moreover, that each political party already has its own newspaper where it can express its views freely. M'dhaffer did not respond to a question regarding opposition party access to public space for meetings, but noted that the only government requirement is for a party to notify the governor 24 hours in advance of a meeting. On public education about elections, M'dhaffer suggested this is the responsibility of the political parties and not of the government.

Visits, Flu and the Political Season

¶11. (C) The Foreign Minister took the floor to review recent visits by Czech President Václav Klaus and French PM Fillon. Both visits, he said, reinforced relations, citing in particular the agreements signed with Fillon. In response to a question, Abdallah said the public exchange over human rights with French Foreign Minister Kouchner was now over (Ref E), noting the two had exchanged warm letters and PM Fillon had visited soon afterwards. FM Abdallah said the Arab Maghreb Union is not developing as Tunisia would like it to, but noted the 5 5 events are positive, citing the meeting of Defense Ministers in Tripoli last weekend. Abdallah added that Italian PM Berlusconi will visit and Spanish King Juan Carlos will visit Tunisia before the end of the year.

¶12. (C) On the H1N1 flu, Abdallah said Tunisia has taken "draconian" measures to prevent its spread, including putting thermal scanners at the airport. So far, there are no cases of the flu in Tunisia, but the country has a good stock of masks and tamiflu if needed. Abdallah said recent rumors in Tunis of the kidnapping of children are completely false.

¶13. (C) On the problems of the Tunisian Human Rights League (LTDH) and the National Journalists Union (SNJT) (Refs B and C), Abdallah insisted they are result of internal disagreements and the government has "nothing to do with them." He noted, however, that one group of journalists is now circulating a petition to call for a new congress to elect a new union board. He insisted there is no reason to "politicize" these issues. Abdallah continued that there has been great progress in freedom of expression, noting the existence of private radio and TV stations. He suggested the media was considerably more free and critical than previously, asserting that particular progress has been made

in the Arabic language media. He noted the courts had dismissed libel suits by several companies against one opposition party newspaper (i.e., the Progressive Democratic Party's al-Mowqif) for a story on defective vegetable oil (Ref D). He suggested the court's decision was a "generous" act and would encourage freedom of expression.

¶14. (C) In conclusion, Abdallah said that he had received expressions of concern from GOT officials that some missions invite to events "certain people" who are "bothersome." These people have no official position, and are not associated with any legal organization. He continued that in the current political season many political parties will attempt to attract the attention of foreign missions, adding Ambassadors now have the government's views on key issues.

Comment

¶15. (C) FM Abdallah's briefing was a good overview of the GOT's position on several issues, but it broke little new ground for us. Baccar's and M'Dhaffer's statement mirrored public remarks that both have given. Abdallah's most notable remarks were on the invitation to diplomatic events of "certain people" who some GOT officials find "bothersome." While he did not say so, there is little doubt he had the US Mission in mind, along with the Canadian and many of those from European Union countries. Abdallah's concern about diplomatic contacts with the opposition is well known, and it is no surprise that he raised it in the run up to the October

elections. Finally, the briefing was conducted in the highly stylized, formal format the GOT likes best. It offered little real opportunity for dialogue and ensured the Ambassadors had to listen, at length, to the GOT's well-known positions. While the GOT officials painted a rosy picture on issues from elections to freedom of expression, their assertions often are not born out by the facts on the ground.

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